

the Budget Committee, who has done an absolutely masterful job in charting the boat of the Budget Committee through considerably hazardous waters, to be able to end up with a vote like he did today, 52 to 40, in the passage of the budget.

It is a budget that clearly is trying to accommodate enormous spending that we have to do for the defense establishment, for the national security needs of this country, and at the same time, to attack the issue of how we are going to pay for it.

The reality is, there are certain taxes we recognize we are going to have to do something about, because if we don't, it is going to hit the middle class. We have to do something about the 10-percent level for the lower income group. We have to do something about the child tax credit. Since all of them are tax cuts, it is going to cost revenue. We even have to tackle the issue of the estate tax, trying to craft a compromise which in this bill allows for then the Finance Committee to approach an exemption of \$3.5 million per person of the estate tax and then reduce the tax rate from 55 to 45 percent that the balance of the estate would be taxed. That would protect the family farms, the family businesses, the vast majority of them in the country.

I compliment the Senator from North Dakota, who has had to be so dextrous and so insightful. Every little jot and tittle, every nuance he has had to attend to. It is a real confirmation of his ability that he gets a resounding vote as he did today on passage of the budget.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### APPOINTMENT OF CONFEREES— H.R. 2206

The PRESIDING OFFICER. The Chair, as to H.R. 2206, appoints Mr. BYRD, Mr. INOUE, Mr. REID, Mr. COCHRAN, and Mr. MCCONNELL conferees on the part of the Senate.

Mr. NELSON of Florida. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### APPOINTMENT OF CONFEREES— H.R. 1495

The PRESIDING OFFICER. The Chair, as to H.R. 1495, appoints Mrs.

BOXER, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CARPER, Mrs. CLINTON, Mr. LAUTENBERG, Mr. INHOFE, Mr. WARNER, Mr. VOINOVICH, Mr. ISAKSON, and Mr. VITTER conferees on the part of the Senate.

Mr. NELSON of Florida. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### IMMIGRATION REFORM

Mr. MENENDEZ. Mr. President, over the coming week the Senate has a historic opportunity to move forward with tough, smart, and fair comprehensive immigration reform that secures our borders, that ensures our economy continues to thrive, that protects American workers, and that at the same time undoes the process of committing millions of people to languish in the darkness and be exploited, or we can choose to abdicate our responsibilities and tacitly maintain the status quo of failed laws and a broken immigration system that is weak enforcement, that leaves our borders and our citizens unsecured and at the same time permits human exploitation to continue.

As a group, several Senators, including myself, have been meeting and negotiating on comprehensive immigration reform over the past couple of months. I appreciate the President making Secretary Chertoff and Secretary Gutierrez available to try to reach an agreement that would do those things.

I have come, during the course of that process with other colleagues, to a better understanding of my colleagues and their thoughts on this issue through the many hours we have spent talking together about solving the immigration problems, though I have not always agreed with them. I would like to believe our discussions were serious, thorough, and in good faith. At times they were productive, at other times they hit obstacles, but when one considers the enormity of the task at hand, along with what is at stake, one would have to be naive in thinking this would be an easy process.

One thing we know for sure is that beginning next week, if cloture is invoked, an immigrating bill, in some form, will be considered on the floor of the Senate. I sincerely appreciate the commitment in regard to the time spent and the thought invested on this issue from all sides involved. The amount of work that has been put into this effort represents the interest level, not to mention the stakes.

I will say, however, that in large part, part of the problem in getting

agreement this year was where the administration started off in their proposal, which acted as a marker in these negotiations. From the minute I saw that proposal, it was clear to me we were no longer where we were last year on this issue.

Last year, we passed a bipartisan bill, one that a majority of Americans could get behind. It was a historic effort that joined 23 Republicans with 39 Democrats to address an issue of urgent national importance. The bill is the basis of what Majority Leader REID has scheduled a cloture vote for next Monday afternoon. I do hope we will be able to get a vote to be able to continue to proceed. I appreciate the majority leader making this issue a priority, having given us 2 months of lead time, telling us a very significant part of the Senate's calendar was being reserved for this debate. I appreciate his leadership in that regard.

However, unfortunately, the administration, along with several of our colleagues on the other side of the aisle, decided to radically alter their views and began the process this year with a far more impractical, in my mind, far more partisan proposal. Evidently, the White House convinced itself that it must have the support of some Republican Senators who opposed and worked to defeat last year's bill in order to pass something this year. Therefore, the White House has proposed an immigration reform plan that is far to the right of the Senate's passed bill of a year ago.

Let me tell you what I believe the principles should be as to how the Senate should guide itself as it debates next week. I believe any immigration reform we pass must be tough in terms of the security of our country, it must be fair, it must be workable, it must be comprehensive in nature; that preserves, among other things, family values, keeps us safe as a country, rewards hard work and sacrifice, benefits all Americans, and promotes safe, legal, and orderly immigration. Now, I could not sign on to the agreement announced in principle earlier today because, in my mind, it does not meet the principles I just described.

Mr. President, I ask unanimous consent to just state that very briefly in Spanish.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MENENDEZ. (Speaking in Spanish.)

Mr. President, what I just said is I could not sign on to the agreement announced in principle because it tears families apart, and it says to many that they are only good enough to work here but not good enough to stay. Depending upon the category of individuals, it levies rather high penalties and fines, and it does not provide the confidentiality or judicial review necessary to bring those people who are undocumented in the country out of the shadows and into the light.

Now, I have serious concerns about the workability and the fairness of the

agreement announced earlier because, first and foremost, it tears at the fabric of family reunification by limiting and eliminating the ability of U.S. citizens and lawful permanent residents to petition for their children, their parents, and siblings to join them in this country.

I took it very much to heart when President Bush said family values don't stop at the Rio Grande, that we all share those family values. Yet here we are with a piece of legislation which I gather is largely supported by the White House which undermines the very essence of that. Even under a new point structure that is envisioned under this bill, it seems to me the essence of family could get much more weighty within the context of a whole new process of how we are going to move our immigration system forward. Family is a critical value—I thought—in our country.

It calls for a truly temporary and, I am concerned, potentially Bracero-style worker program that labor ultimately will not support and that could repeat the same problem all over, having us face this challenge in the years ahead by the way it is devised.

It does not have confidentiality and judicial review, at least not of the standard I have seen to date; it is still one of those floating things out there. The reality is, if we want people to come out of the shadows into the light, to know who is here to pursue the American dream versus who is here to destroy it, then we need to be able to have those individuals understand that they will, in fact, and should come forth so that, in fact, they can go through the process envisioned by the framework agreement but that they will have confidentiality and judicial review in the process. Without addressing those issues, the system that would be created under the proposal would do little to fix our broken immigration system in the long term.

Now, I support fines for those who have broken the law. But the fines that are proposed are prohibitive, and they make a pathway to legalization a path in name only. A family of four would have to pay \$10,000 in fines and fees, which is more than last year's bill even after it was amended twice on the floor to increase those fines. That does not even include the cost of their trip to "touch back" when they seek to become a permanent resident. Unable to pay these fines and fees, some of the undocumented workers will be unable to come out of the shadows and into the light of American's progress and promise.

Giving people the opportunity to come out of the shadows is an essential and necessary component of immigration reform because it will allow us to recognize who is here to seek the American dream versus who is here to destroy it through criminal or terrorist acts such as those which were recently almost carried out at Fort Dix in my home State of New Jersey.

If we had the right set of standards, which I envision us having in our bill, and people would come forward, we would have caught those individuals by the background checks we would have conducted. But for those people to come forth, obviously, there has to be some sense that in fact there is a real opportunity; otherwise, no one will come forward.

They also propose virtually doing away with provision for family reunification which has been the bedrock of our immigration policy throughout our history. This idea not only changes the spirit of our immigration policy, it also emphasizes the family structure. If this system had been in place when my mother and father attempted to come to this country, they certainly would not have qualified.

As I have listened to the stories of so many of our fellow colleagues in the Senate and in the House of Representatives, I know many of their parents would never have qualified to come to this country. I would like to think that they made, and continue to make, some very significant contributions to our Nation. It seems to me a new paradigm could have been structured where family values and reunification have more of a fighting chance than under the framework agreement.

As for the temporary worker program, we are inviting in temporary workers but, of course, we expect them to leave. Yes, temporary is temporary, and we are going to rotate them through, but how we do that and what pathway at the end of the day we might provide for saying you are human capital is incredibly important to this country. As if you perform enough of it, there may be an opportunity for you to adjust your status. But the way that the framework document envisions, it can simply create another undocumented workforce. It also sends the message that there are some people good enough to work here but not good enough to stay here; there are others good enough to work here and to stay here. If one didn't know what year it was, one might think we were discussing the National Origins Act of 1924. These and other problems with the proposed deal have to be improved to be able to support the type of reform that will meet the principles I have outlined.

Generally speaking, it seems to me we have taken a radical departure from what we were able to collectively achieve last year. We need to take a hard look at it as we open the debate next week. For the sake of much needed reform, many Democrats, including myself, showed a willingness, even more than I would have envisioned, to make strides toward the White House's proposal. Even so there are certain issues where too much bend ultimately creates an impractical and ineffective immigration system.

Unfortunately, that is what I believe will occur under the agreement announced earlier this afternoon.

I, for one, cannot settle for something that isn't sufficiently responsible in terms of meeting these values—security of the country, making sure we deal with our economy in a way that doesn't depress wages but at the same time realizes certain economic sectors need help and preserves family values, and at the same time makes sure we end the exploitation that often takes place when those people are languishing in the darkness. It doesn't have to be perfect, but it does have to be fair, humane, and practical.

Part of the magic of our Constitution is that it eventually allows the better parts of our nature to prevail. The better part of our national character is found in the strength we have achieved through our diversity. But that better nature must be fought for and fostered; in my mind, one of the greatest parts of America's experiment that has made it the great country that it is. I look forward to leading efforts on the floor of the Senate that will strengthen our security, protect American workers, deal with the necessities of our economy, while at the same time upholding the promise and the value of the American story that we hold so dear. We need to improve the framework document that has been announced through the legislative process next week. This is too important an issue to allow partisan politics to play a role. It is too important an issue to only be concerned about appeasing a relatively small part of a political base that is unrepresentative of the American public at large.

We must come together not as Democrats and Republicans, or liberals and conservatives, but as statesmen and, in doing so, honor the traditions of the Senate as a body that values reasoning, honest debate, and compromise over sound bites, talking points, fear, and smear tactics.

I know in my heart this is possible. I pray that it is practical and that we can end up with a bill next week that does these things: secures our country in a meaningful way and at the same time makes sure that we can preserve the economic interests of our country in all of the different aspects of our economy; that can say that the promise of family values we hold so dear and that has been at the core for over four decades of our immigration system can continue to be a reality; that we can end the human exploitation of people within our country, and in doing so, we actually make our country safer, more secure, and more robust in its economy. That is where I hope to lead efforts on the Senate floor next week.

I appreciate the work that has been done by the Senators who have agreed to the framework agreement. I just believe it falls too short in some of the key principles for me to be supportive.

I am looking forward to a bill on which we can join together and say: We did the best for the Nation. We did what is humanely right. We did what is right for the Nation in terms of its security and its economy, and we have

preserved the very essence of what this Nation has been about.

From my home State of New Jersey, which was a gateway to millions of people across this country, particularly during the period of Ellis Island, we can almost touch Lady Liberty. Ellis Island is a short bridge walk across. The reality is that because of those people who have contributed so dramatically to our country, we all have a relationship to immigration—whether you can trace your history to the Mayflower and the voyage of that first opportunity, whether you are part of the Daughters of the American Revolution, whether you came with the millions in the European experience that crossed a great ocean through Ellis Island and then throughout our country, whether you came, as my parents did, in search of freedom, the reality is, we all have a connection. Let's honor that connection in a way that meets these values. Let's meet that challenge.

I hope we can do so next week as the Senate convenes on this historic debate. I look forward to that opportunity.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MARTINEZ. Mr. President, I wanted to have an opportunity to speak for a moment on this very timely issue of immigration. I heard my colleague from New Jersey speaking. I know how hard he has worked with us to try to achieve a solution to this very difficult problem the country has faced for now over 20 years. I am disappointed that what we did fell short of his hopes. I thought I would take a moment and respond to some of his comments, but also in the hopes of inviting him back into the process where his support would be so welcome and so vital.

First, I should say there is nothing easy about this issue. There is nothing easy about the solution that we crafted, nor does it claim any sort of perfection associated with it because it is an imperfect bill. But it is a compromise. So what it implies by a compromise is that there are some things in it that I wholeheartedly support. There are some things that I might have liked to have seen differently. At the end of the day, that is how legislation is made. That is how it happens. We all give a little, and we end up someplace where we can move the country forward and provide the country with a way to resolve this very difficult issue that we call immigration.

One of the notions I would appreciate dispelling is the fact that this is a White House bill. It is not. This is just as much a Senator KENNEDY bill as it is a Senator KYL bill, and a Senator MARTINEZ bill as it is a Senator SALAZAR bill. I could name others: Senator GRAHAM, Senator MCCAIN, Senator ISAKSON. This bill has a great deal of balance because it not only enforces our borders first and foremost, which is what all Americans want at a time

when our shores are threatened by potential terrorists, but it, secondly, does not do any of the other things that will be done in the bill until certain triggers are met, those triggers to have been in place as far as border security is concerned, the hiring of border agents, building the fencing, building of other physical and electronic barriers.

Then we move into another phase which is to provide a tamper-proof ID. This will ensure that those who are working will work legally. It then moves into other areas such as a guest worker program. This is a guest worker program which is a temporary worker program. It is not intended as a vehicle to immigration. It is to provide the labor that America needs in certain places and also to provide a good-paying job to certain people in other parts of the world who want to work here, but with a clear understanding before ever coming that they are coming to work for a limited period of time, much as a student visa holder comes for 2 years to go to school, coming for 2 years to go to work. Then they go home. They can renew that visa a couple of times.

Then a number of them will, if they acquire certain prerequisites, apply for permanent status here. Obviously, if they learned English, that would help them. If they learn a trade, that would help them. If their employer says they are a good worker, that would help them. That will be the basis for future immigration.

There still is a family component to immigration. Husband, wife, children, can come, grandparents—40,000 a year of parents can come. What we are going to do is change the paradigm to one where more merit is included in the equation. There will be a point system. Family will often be a tiebreaker. That will be maintained. But the paradigm of immigration will shift to a different one. It will then give the 12 million people who are here today living in the shadows an opportunity to come out of the shadows.

I don't know how anyone can overlook the significance of that act, the fact that this country of immigrants and this country of laws will be generous enough to say to those 12 million that are here, having come illegally to our country but who have worked, as long as they pay fines, as long as they obey the law and have not gotten in trouble, and as long as they are willing to learn the English language, they can have a path forward to stay here and continue to work. If they go back to their home country, they also can apply for permanent residence and get in back of the line as any fairness would dictate.

Fines, of course there will be fines. They can be paid over a period of years. They are not exorbitant, and they are only to the head of household. In this bill is the DREAM Act, an incredible achievement for the dream of education. The 12 million people living in

the shadows in this country today find oftentimes their future dreams of a college education truncated by the inability to pay the tuition and the out-of-State fees. The DREAM Act is in this bill. That is an important consideration.

Part of this bill is going to take care of the agricultural needs of the country which is significant. I know in Florida, whether it is agricultural or hotel workers, whether it is theme park workers, in the tourism industry we desperately need workers. There are not enough there today. So the temporary worker program will help our economy while it helps people to have a good and decent job.

I think there are some things here that are tremendously positive. It is a very exciting day, and I am delighted to be a part of the compromise. Obviously, there will be politics all over the place. The right and the left will be criticizing many of us for having taken what I think is a very strong bipartisan step forward.

This is a coalition of many Senators working to pull something together that has been difficult, that is never going to be easy to do. I look forward to the debate in the Senate next week as we try to craft a solution for America going forward.

I thank the President for his leadership on this issue, and Secretary Chertoff and Secretary Gutierrez, who have been here countless hours, and my other colleagues who have been in the room—Senator MENENDEZ, who was finding it difficult to support the bill today but who has been there time and time again—and the Senator from Texas, Mr. CORNYN, who has tried, also, and may not be completely satisfied, but they have been in the very dynamics of seeing good, dedicated servants, such as these two Senators who are finding it difficult. We see the difficulty of this bill.

What I would hope is that a good nucleus of us will pull together, will come together. My hope is Senators CORNYN and SALAZAR and MENENDEZ, and many others, will find it possible to support this bill as we go into the debate next week. There will be opportunities to offer amendments. There may be ways of making it better. There could also be ways to make it a lot worse. My hope is we can hang together on this nucleus of a compromise that will make America stronger, that will give some charity to people who are here, while at the same time giving America the assurance that our borders are going to be secured.

It is not perfect. It is the best solution we could find today working together in good faith, in a bipartisan way. I hope the Senate will pass it. I hope it moves swiftly through the House, and we get it to the President's desk as soon as possible.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

## ALTERNATIVE MINIMUM TAX

Mr. GRASSLEY. Mr. President, earlier this week, I spoke to my colleagues on fleshing out some of the options that may be circulating among the current Democratic majority in the other body, meaning the House of Representatives, for resolving the crescendo of the alternative minimum tax crisis that faces us right now in May of 2007, and for all the months before—and if we do not do something, all the months for the rest of this year, in which 23 million taxpayers who do not pay the alternative minimum tax, will be hit by it. These are 23 million people who were never intended to pay the alternative minimum tax because they are not considered the superwealthy.

As I said earlier this week, I do not like what I am hearing about what is going on in the other body, what they may put on the table in terms of paying for the alternative minimum tax, and the solution for that problem that is a fact of tax law right now.

However, I want to make perfectly clear a point on which I agree with the other party and the other body. I completely agree that dealing with the AMT is a priority issue and that Congress needs to address it.

The alternative minimum tax is an absolutely maddening tax that has insidiously crept into the homes of more and more families each year. I have spoken on this floor about its repeal—about its repeal—because, No. 1, it is hitting people it was not intended to hit, and also there are thousands it was intended to hit who have found ways out of paying the alternative minimum tax. So then you get into the ridiculous situation of people paying it who are not superrich, and you have superrich people it was intended to hit in 1969, when it was first put in place, who have found ways around it. So if it “ain’t” working, then it is obviously broken, and you need to fix it.

The numbers of families paying the alternative minimum tax will rise from 4 million families, last year, to 23 million families in 2007—unless we take legislative action.

Chairman BAUCUS, my Democratic leader in our committee, and I introduced legislation on the first day of the 110th Congress to repeal the individual alternative minimum tax beginning in the 2007 tax year. But, of course, it does not appear that the Democratic leadership is eager to take up that legislation.

In each of the past 6 years, Congress has, in fact, passed legislation which at least for a temporary period of time successfully kept more people from paying the alternative minimum tax by increasing the amount of income that is exempt from the alternative minimum tax. In other words, by increasing the exempt amount, additional people were not hit by the alternative minimum tax.

These temporary exemptions that have happened over the last 6 years have prevented the alternative min-

imum tax from harming more and more middle-class Americans. Most recently, Congress acted to prevent millions of taxpayers from receiving a surprise on their 2006 tax returns by including an extension of this temporary AMT exemption increase in what is called the Tax Increase Prevention and Reconciliation Act of 2005.

In that 2005 bill, the exemption for married couples filing jointly was increased from \$58,000 to \$62,550 for the 2006 tax year.

This week marks the 1-year anniversary of the enactment of that bill in 2005—well, actually, it was not signed by the President until 2006. Nearly 20 million American families who were exempt from the AMT because of the temporary exemption increase in 2006 knew at this time last year Congress was moving to not tax many more millions of people by the alternative minimum tax in last year’s tax earnings season.

This year, those families have no such assurance because the Democratic leadership—now in the majority as a result of the last election—in this Congress does not appear to be moving any legislation to address the alternative minimum tax.

Some of you may wonder why this is a pressing issue. Maybe you take the view that you need not address this because the AMT is such a stealth tax that millions of Americans who are going to owe AMT for 2007 have not even thought of that issue yet. It is something for which you might get the rude awakening after the first of next year as you prepare your income tax, and all of a sudden—boom—23 million more Americans are hit by this tax. So you do not worry about it during this 12 months. But do not play the American people for a fool.

I can understand why the taxpayers may not be thinking about it because for the past 6 years, as a second point, the Congress has addressed the issue on a timely basis, and the taxpayers did not miss a beat. When the Republicans were in the majority, American families could count on Congress to make sure this AMT issue was taken care of.

Now, it is nearing the summertime under Democratic leadership, and there is no clear path to a credible temporary or permanent solution. We need to address this now for the folks who do not even know what is about to hit them in the year 2007. And some were hit in April already. I will explain that. That is why it cannot wait. It is here and now for some taxpayers.

I hope, however, my colleagues have heard, then, from some of these constituents who are being hit by it. That happened through the estimated tax payment in April 2007, when at least some Americans were hit with paying this when they prepared that estimated tax payment you do four times a year. Those families have made that first payment and are painfully aware, then, of Congress’s failure to act on the AMT this year, whereas 12 months ago we had already acted.

Until recently, I had hoped the Senate was unified in not wanting to collect the AMT for this year or any year in the future. On March 23—almost 2 months ago—I offered an amendment to the fiscal year 2008 Senate budget resolution that would have required Congress to stop spending amounts that are scheduled to come into Federal coffers through the alternative minimum tax. The legitimacy of that amendment was based on the proposition that the budget, which we just adopted today, the conference report—assumes these 23 million Americans are going to pay this tax they were never intended to pay. So get it out of the budget if you are taxing people who are not superrich and who were not supposed to pay it in the first place, and particularly when a few thousand of the superrich have even found ways to get legally around not paying a tax that was intended for them to pay. My amendment was not adopted because I think if my amendment had been adopted, we would have some honesty in the budgeting process. However, not a single one of my colleagues on the other side of the aisle voted in its favor.

On the House side, we hear the Ways and Means Committee is doing a lot of talking about the alternative minimum tax, but they have yet to move to action. It has been reported that House Democrats plan to exempt everyone who earns less than \$250,000 from the AMT. Now, that is not eliminating it like I want to do, but it sounds to me as if that is a step in the right direction.

However, the new Democratic majority has pledged to offset any tax cuts. Some staggering proposals are bouncing around to offset a \$250,000 exemption from the AMT. I outlined two of them on Monday when I spoke to my colleagues. One option would raise the top marginal income tax rate to over 46 percent—a rate that we have not seen since it was 50 percent between 1963 and 1981. Now, that 46 percent is up from the 35-percent marginal tax rate under current law.

There is another option the House may be considering, and that is to raise the top alternative minimum tax rate to 37 percent, up from 28 percent under current law.

I have to believe that anyone would shy away from actually proposing a double-digit tax rate increase. So let’s take a minute to explore another approach we have heard floated for alternative minimum tax relief—paying for it by raising marginal tax rates on the top three income tax brackets.

Except for that 35 percent bracket, you are definitely talking about raising the tax on middle-income people to pay for or to offset the alternative minimum tax, now hitting those same middle-income people who were not intended to pay it in the first place.

Raising the top three income tax brackets—I do not know why Congress would want to raise taxes on top income tax brackets, let alone on the top